Victory: US to phase down HFCs

Refrigerants Australia executive director, Greg Picker, breaks down this historic news and explains how the bill will work.

With all of the disorder and tumult that has been on the news from Washington DC over the past couple of months, readers could be forgiven for missing the news that the United States has taken a massive step of global significance in managing HFC refrigerants.

With strong bipartisan support, the US Congress attached the proposed American Innovation and Manufacturing Act (the AIM Act) to the COVID 19 Relief Bill late in 2020.

After criticising the level of support for COVID 19 that would be provided to Americans, on December 27, 2020 President Donald Trump signed the legislation making it law.

The bill sets the framework for phasing down and managing HFCs with details to be decided and worked through by the US EPA. Key provisions include:

- Agreeing to a phase-down schedule for the manufacture and imports of HFCs, including a quota system for companies;
- Authorising the EPA to establish standards for HFC management, including installation, service, repair, recovery, reclamation and disposal practices. The EPA could establish a national licensing system similar to Australia.
- Establishing a three year grant program for small businesses, allocating $5 million annually toward increasing recovery and reclamation of refrigerants at end of life.
- Allowing the EPA to establish sector based use requirements, to ensure the transition to refrigerants with lower GWP.

The Obama Administration started the process of GWP limits under the Clean Air Act, although this was ruled illegal by a US Court. It is expected that many of the previous elements of the SNAP program – which fostered transition to lower GWP refrigerant by equipment type – will now be reinstated.

This legislation means that the US will be able to meet the requirements of the Kigali Amendment and can ratify this in the near future.

It also sets up what will clearly be an assertive Biden Administration that is determined to make real progress in responding to climate change.

Issues around refrigerants and the refrigeration and air conditioning industry are likely to be seen as an area for quick and dramatic improvement.

Former Secretary of State and future International Climate Envoy, John Kerry, was pivotal in the introduction of the Kigali Amendment and he will now lead America’s international efforts on climate change.

Domestic climate change policy will be developed by Gina McCarthy who as Administrator of

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the US EPA under Obama established the SNAP program to move the US away from high GWP HFC refrigerants. Her statements also suggest she sees our industry as an area where quick wins are possible.

What does this mean? Well, ambition in the Montreal Protocol has been muted since the Kigali Amendment. A rejuvenated US Administration that has domestic legislation underpinning its actions will transform negotiations and see the potential for significant progress.

The US EPA will likely look to develop a strong licensing program for refrigerants. This will prompt countries across the globe to reconsider their positions including Australia.

2020 was a stop-start year because of COVID, but 2021 is looking like a year to watch! *